

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

RE: Compliance Form 5074 - Category 3 Unfunded Accrued Liability Plan for Ypsilanti City

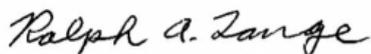
The Ypsilanti City is pleased to submit form 5074 with the required documents per Public Act 59 Economic Vitality Incentive Program (EVIP) for category 3.

The Ypsilanti City has chosen to track and display this data using Munetrix to make the information readily available to the public and other local units of government.

All documentation necessary to comply with the EVIP requirements are included with this letter, and we look forward to continue receiving these important funds from the State of Michigan.

Please contact me if you need any further information or clarification.

Sincerely,



Ralph A. Lange
City Manager

Michigan Department of Treasury
(Recreated) 5074 (Rev 09-13)

Economic Vitality Incentive Program/County Incentive Program Certification of Unfunded Accrued Liability Plan

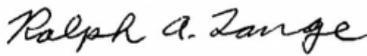
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Unfunded Accrued Liability Plan payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public Unfunded Accrued Liability Plan. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site as required by 2013 Public Act 59.
2. Submit to Treasury Unfunded Accrued Liability Plan, if selecting Option 1 of part 2 below.

City/village/township: This certification, along with Unfunded Accrued Liability Plan, **must be received by June 1, 2014** to receive the June and August payments or on or before July 31, 2014 to receive the August payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with Unfunded Accrued Liability Plan, **must be received by June 1, 2014** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name Ypsilanti City		Local Unit County Name Washtenaw	
Local Unit Code 812040		Contact E-Mail Address rlange@cityofypsilanti.com	
Contact Name Ralph A. Lange	Contact Title City Manager	Contact Phone Number 734-483-1810	Extension
Website Address, if reports are available online http://munetrix.com/sections/data/municipal.php?MuniID=107&Type=City		Date of Last Audited Financial Report 2013-06-30	
PART 2: STATEMENT OF UNFUNDED ACCRUED LIABILITIES			
Indicate the option that pertains to your local unit:			
<input checked="" type="checkbox"/> 1. Unfunded Accrued Liabilities Exist A local unit who has unfunded accrued liabilities pertaining to pensions or other post-employment benefits must attach a plan as required by 2013 Public Act 59.			
<input type="checkbox"/> No Unfunded Accrued Liabilities Exist A local unit who does not have any unfunded accrued liabilities pertaining to pensions or other post-employment benefits must provide, in the box below, an explanation of why the local unit does not have any unfunded accrued liabilities.			
See notes on Page 3			
PART 3: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced an Unfunded Accrued Liability Plan and has made them available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site. The Unfunded Accrued Liability Plan, if required is attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b)		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b)	
		Ralph A. Lange	
Title City Manager		Date May 28, 2014	

Completed and signed form (including required attachments) should be e-mailed to: **TreasRevenueSharing@michigan.gov**
 If you are unable to submit via e-mail, fax to (517) 335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
EVIP/CIP	Y N	EVIP/CIP Notes
Final Certification	Plan Received	

Unfunded Liability Notes

Previous Actions Taken To Reduce Unfunded Accrued Liabilities

	Unfunded Accrued Liability Type	Previous Action Taken
1.	Fire & Police Pension	<p>As of 06/30/2013 audit, the Fire & Police pension funded ratio was 66%</p> <ul style="list-style-type: none"> • New POAM hires will have a reduced multiplier from 3% to 2% • COAM employees hired after July 12, 2012 will contribute the difference between the annual required contribution (ARC) and the maximum employer contribution of 16.20% • New Police hires will contribute from 5% of their wages to the pension fund • New Police & Fire employees can no longer withdraw their contributions to the pension plan • New Police & Fire employees may retire after completion of 25 years from 20 years • Average final compensation (AFC) calculation for new Fire hires only includes 50% of overtime from 100%
2.	MERS (AFSCME & Non-Union) Pension	<p>As of 06/30/2013 audit, the MERS pension funded ratio was 145.1%</p> <ul style="list-style-type: none"> • Changed new hires multiplier from 2.5% to 2% • Year of service from age 50 with 25 years to age 55 with 25 years; from age 55 with 15 years of service to age 60 with 10 years of service
3.	Fire & Police OPEB	<p>As of 06/30/2013 audit, the Fire & Police OPEB funded ratio was 21.60%</p> <ul style="list-style-type: none"> • In lieu of the City's funded retiree health care benefits, new hires participate in the City's retiree health care saving program into which the City deposits \$150 per month with a vesting schedule
4.	MERS (AFSCME & Non-Union) OPEB	<p>As of 06/30/2013 audit, the MERS OPEB funded ratio was 21.02%</p> <ul style="list-style-type: none"> • In lieu of the City's funded retiree health care benefits, new hires participates in the City's retiree health care saving program into which the City deposits \$150 per month with a vesting schedule

How Will The Local Unit Continue to Implement And Maintain Previous Actions Taken

Efforts to reduce unfunded accrued liabilities in fire and police pensions were negotiated as part of union contracts; reductions in OPEB are also inscribed in contracts as part of City policy. The City will continue to honor these actions moving forward.

Additional Actions That Could Be Implemented

Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.

1. Further modify AFC to exclude other compensation
2. Establish a policy to utilize a percentage of any surplus revenues to contribute additional % above the ARC in an effort to reduce pension and/or OPEB underfunding
3. Explore issuing bonds to eliminate the unfunded pension and/or OPEB accrued liabilities
4. Increase employee contributions